

Army Regulation 711-7

Supply Chain Integration

Supply Chain Management

**Headquarters
Department of the Army
Washington, DC
19 November 2004**

UNCLASSIFIED

SUMMARY of CHANGE

AR 711-7

Supply Chain Management

This new Department of the Army regulation, dated 19 November 2004--

- o Establishes responsibilities for supply chain management (para 1-4).
- o Establishes the objective and elements of supply chain management (para 1-5).

Supply Chain Integration

Supply Chain Management

By Order of the Secretary of the Army:

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General, United States Army
Chief of Staff

Official:



SANDRA R. RILEY
Administrative Assistant to the
Secretary of the Army

History. This is a new Department of the Army regulation.

Summary. This regulation establishes policies, responsibilities, and principles for the supply chain management program. It provides direction for commanders, logistics managers, and personnel in monitoring and managing the supply chain with the objective being its optimal functioning in support of the end user, the soldier.

Applicability. This regulation applies to the Active Army, the Army National

Guard of the United States, and the U.S. Army Reserve.

Proponent and exception authority.

The proponent of this regulation is the Deputy Chief of Staff, G-4. The proponent has the authority to approve exceptions or waivers to this regulation that are consistent with controlling law and regulations. The proponent may delegate this approval authority, in writing, to a division chief within the proponent agency or a direct reporting unit or field operating agency of the proponent agency in the grade of colonel or the civilian equivalent. Activities may request a waiver to this regulation by providing justification that includes a full analysis of the expected benefits and must include formal review by the activity's senior legal officer. All waiver requests will be endorsed by the commander or senior leader of the requesting activity and forwarded through their higher headquarters to the policy proponent. Refer to AR 25-30 for specific guidance.

Army management control process.

This regulation does not contain management control provisions.

Supplementation. Supplementation of

this regulation and establishment of command and local forms are prohibited without prior approval from Deputy Chief of Staff, G-4 (DALO-ZA), Washington, DC 20310-0500.

Suggested improvements. Users are invited to submit comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) directly to Headquarters, Department of the Army, Deputy Chief of Staff, G-4 (DALO-SMP), 500 Army Pentagon, Washington, DC 20310-0500.

Distribution. This publication is available in electronic media only and is intended for command level C for the Active Army, the Army National Guard of the United States, and the U.S. Army Reserve.

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Glossary

Chapter 1

Introduction

1-1. Purpose

This regulation provides the framework by which subsequent regulations in the Army Regulation (AR) 711 series (Supply Chain Management) will address the individual logistics processes of customer response, inventory planning, warehouse management, maintenance, transportation, and supply.

1-2. References

Required and related publications and prescribed and referenced forms are listed in appendix A.

1-3. Explanation of abbreviations and terms

Abbreviations and terms used in this publication are explained in the glossary.

1-4. Responsibilities

- a. The Assistant Secretary of the Army for Acquisition, Logistics, and Technology (ASA(ALT)) will—
 - (1) Serve as the Army acquisition executive.
 - (2) Oversee Army program executive officers (PEOs)/program managers (PMs) in their roles as total life cycle system managers (TLCSMs).
 - (3) Oversee research, development, testing, and evaluation of the acquisition and sustainment of materiel systems (including end-to-end distribution and supply chain management (SCM).)
 - (4) Establish policy and oversee the development and execution of logistics management programs.
 - (5) Oversee logistical acceptability and supportability of materiel systems, including depot partnering, condition based maintenance plus, end-to-end distribution, and SCM, in coordination with the Deputy Chief of Staff, G-4 (DCS, G-4).
 - (6) Oversee establishment of the Headquarters, Department of the Army (HQDA) logistics position regarding the acceptability, deployability, and supportability of all programs
 - (7) Ensure that logistics considerations are incorporated into the warfighting capabilities analysis in coordination with the DCS, G-4.
 - (8) Approve performance-based agreements (PBAs) for performance-based logistics (PBL) activities, including depot partnering, condition based maintenance plus, end-to-end distribution, and SCM, in coordination with the DCS, G-4.
 - (9) Provide Army oversight and policy determination for the acquisition segment of the supply chain.
- b. The Deputy for Systems Management will—
 - (1) Serve as the liaison between PEOs/PMs and the Army Secretariat and Army Staff on acquisition and logistics matters, including PBL, depot partnering, condition based maintenance plus, end-to-end distribution, and SCM.
 - (2) Ensure that PEOs/PMs coordinate with the DCS, G-4 SCIMO and the Distribution Management Team (DMT).
- c. The Deputy Assistant Secretary for Policy and Procurement will—
 - (1) Establish policy and oversee the development and execution of acquisition and procurement policy, including depot partnering, condition based maintenance plus, end-to-end distribution, and SCM.
 - (2) Ensure that acquisition documentation, including the acquisition strategy, acquisition program baseline (APB), integrated program summary/modified integrated summary, and so forth, incorporate PBL, end-to-end distribution, and SCM considerations.
- d. The Deputy Assistant Secretary for Integrated Logistics Support will—
 - (1) Serve as the Army independent logistician.
 - (2) Establish integrated logistics support (ILS) policy and oversee the development and execution of acquisition logistics and ILS, including end-to-end distribution and SCM.
 - (3) Ensure that ILS documentation, including the supportability strategy, incorporate end-to-end distribution and SCM.
 - (4) Evaluate the logistical acceptability and supportability of materiel systems, PBL, end-to-end distribution, and SCM in coordination with the DCS, G-4.
 - (5) Serve as the Army proponent for TLCSM/PBL policies and procedures.
- e. The Director of the Army Contracting Agency will—
 - (1) Establish policy and oversee the development and execution of contracting within the Army.
 - (2) Develop contractual instruments on end-to-end distribution and SCM in coordination with the DCS, G-4 Supply Chain Integration Management Office (SCIMO) and DMT.
- f. The DCS, G-4 will—
 - (1) Establish Army SCM policy.
 - (2) Establish an SCM office.

- (3) Establish and approve Army supply chain and logistic performance metrics.
- (4) Provide oversight of the Army's distribution management (DM) program.
- (5) Be responsible for the Army's SCM program.
- (6) Develop Army SCM policy and coordinate policy changes with the appropriate activities.
- (7) Develop and approve supply chain and logistic performance metrics.
- (8) In conjunction with the U.S. Army Transportation Command (USTRANSCOM), Defense Logistics Agency (DLA), Installation Management Agency (IMA), and Army Materiel Command (AMC), participate in collaborative planning to optimize the supply chain's support to the soldier.
- (9) Coordinate with SCM teams from national providers, Army agencies, and the other Services to optimize the supply chain.
- (10) Provide oversight of the Army's DMT, which provides supply chain assessment and process improvement to the field.
- (11) Chair the Department of the Army (DA) Customer Wait Time (CWT) committee.
- (12) Coordinate with the DLA to—
 - (a) Implement Department of Defense (DOD) policy regarding materiel management and supply distribution, including supply depot operations, storage, and issue procedures.
 - (b) Implement DOD policy for inventory control, including item accountability, physical inventories, reconciliation, and security.
 - (c) Participate in collaborative planning to optimize the supply chain's support to the soldier.
- (13) Coordinate with USTRANSCOM to—
 - (a) Implement DOD policy regarding the transportation and materiel distribution segments of the supply chain.
 - (b) Participate in collaborative planning to optimize the supply chain's support to the soldier.
- (14) Coordinate with the Assistant Deputy Under Secretary of Defense (Logistics and Materiel Readiness) Supply Chain Integration to—
 - (a) Implement SCM concepts and methodologies across all DOD components.
 - (b) Implement and maintain SCM policies.
 - (c) Provide staff support to the Deputy Under Secretary of Defense (Logistics and Materiel Readiness) and higher-level DOD officials for SCM matters.
 - (d) Implement SCM and end-to-end distribution capabilities required to meet deployment and sustainment requirements.
- (15) Develop, manage, evaluate, and promulgate HQDA policies for the distribution of the materiel component of SCM.
 - g. The Commanding General (CG), AMC will—
 - (1) Provide Army oversight and policy determination for materiel requirements determination, materiel management, maintenance and repair, and materiel disposition segments of the supply chain.
 - (2) Coordinate with ASA(ALT) in formulating and implementing contracting procedures that support the efficient and effective operation of the supply chain.
 - (3) In conjunction with the SCIMO, USTRANSCOM, and DLA, participate in collaborative planning to optimize the supply chain's support to the soldier.
 - (4) Use supply chain operations reference model processes of plan, source, maintain/make, deliver, and return for logistics processes of transportation and supply as it pertains to the national level.
 - h. The CG, U.S. Army Training and Doctrine Command (TRADOC) will—
 - (1) Include SCM considerations in the doctrine and unit design development process.
 - (2) Establish the Army's DMT, as directed by the DCS, G-4.
 - (3) Incorporate SCM policies, doctrine, and procedures into TRADOC school instruction and training publications.
 - i. The CG, U.S. Army Combined Arms Support Command (CASCOM) will—
 - (1) Serve as the commander of the responsible agency for the DM Program.
 - (2) As directed by TRADOC, incorporate SCM policies, doctrine, and procedures into CASCOM school instruction and training publications.
 - j. Members of the Army DMT will—
 - (1) Serve as members of the Army's agency for supply chain improvement.
 - (2) Investigate, report, and implement Army supply chain and logistics best business practices by implementing immediate process changes whenever required.
 - (3) Assist major Army commands (MACOMs)/IMA regions in the execution of the Army SCM and DM programs.
 - (4) Advise the DCS, G-4 on Army logistics performance, as required.
 - (5) Recommend changes to Army logistics policy.

1-5. Policy

The primary objective of Army SCM is to provide effective and efficient end-to-end customer service to meet operational requirements. To supply materiel to Army units throughout the world, Army logisticians maintain a supply chain consisting of weapon system support contractors; retail supply activities with distribution depots; transportation channels, including contracted carriers; integrated materiel managers; weapon system product support integrators; commercial distributors and suppliers, including manufacturers; commercial and organic maintenance facilities; and other logistics activities (for example, engineering support activities, testing facilities, and reutilization and marketing offices). The objectives of Army supply chain management are to—

- a.* Structure materiel management to provide responsive, consistent, and reliable support to the warfighter during war and peacetime. This will be done within the framework of total life cycle systems management.
- b.* Size secondary item inventories to minimize the Army's investment while providing the inventory needed to support war and peacetime requirements. For newly acquired acquisition programs, this will be accomplished through performance agreements with the acquisition program manager detailing the selection of a product support integrator. The product support integrator will be responsible for establishing the initial range of product support functions, including materiel management support.
- c.* Consider all costs associated with materiel management, including acquisition, transportation, storage, and maintenance, in making best-value logistics materiel and service provider decisions central to total life cycle systems management.
- d.* Implement materiel management functions with commercial off-the-shelf systems or DOD standard data systems, wherever possible, or with non-standard systems and/or standard manual data collection where they are not available. This goal encompasses the implementation of continuous SCM capabilities, within an integrated knowledge environment, to accomplish the end-to-end distribution of required materials and related services from point of acquisition to point of delivery to the end user.
- e.* Maintain materiel control and visibility of secondary inventory down to and including retail inventories. This involves the incorporation of commercial and Government best business practices to continuously improve Army supply chain processes and instill user confidence in the materiel management system.
- f.* Continuously identify, isolate, and implement solutions for sub-optimized logistics processes through the development of supply chain strategies, performance metrics, and programs.

1-6. Guiding principles

In executing the Army's SCM program, adhere to the following guidelines:

- a.* Structure logistics procedures and systems to provide an agile response during crises and military operations using PBL strategies and performance agreements.
- b.* Focus on satisfying operational customer requirements at the point of need.
- c.* Link customers directly to the source of materiel and services support.
- d.* Balance the use of all available logistics resources to accomplish timely and quality delivery of customer determined materiel and service at the best value without reducing warfighter capability and readiness.
- e.* Measure total supply chain performance based on timely and cost-effective delivery of products and services to operational customers.
- f.* Make maximum, effective use of competitive, global, and assured commercial capabilities.
- g.* Accomplish common requirements cooperatively, whenever practical.
- h.* Implement a consistent structure, content, and presentation of logistics information, particularly when supporting common interfaces among the other Services, Defense agencies, and international partners.
- i.* As early as possible in the acquisition cycle of a new or upgrade program, work with the acquisition program manager and product support integrator to address logistics requirements and related costs within the concept of the whole life cycle.
- j.* Include all logistics requirements in planning and program baselines and develop them initially without any internally or externally imposed financial constraints.
- k.* Implement and use the concept of information stewardship (such as, shared data).
- l.* Provide for visibility of the quantity, condition, and location of in-storage, in-process, and in-transit assets, as well as orders placed on organic and commercial sources of supply.
- m.* Provide timely, up-to-date training and supporting technology to logistics organizations and personnel.
- n.* Adopt and/or adapt best commercial business practices when such practices will contribute to increased supply chain performance and/or reduced total life cycle costs. Processes and technologies such as enterprise resource planning, automated planning system, maintenance requirements planning, and balanced score card represent business practices that either are referenced in or have potential application to the supply chain procedures presented in this regulation.

Chapter 2

Integrated Logistics Support Supply Chain Management Logistics Processes

SCM processes create logistics strategies that align with objectives, improve flexibility throughout the supply chain, break down obstacles between functional departments, and reduce costs.

Section I

Integrated Logistics Support

2-1. Integrated logistics support

ILS consists of the technical and management activities conducted to ensure supportability implications are considered early and throughout the materiel life cycle to minimize support costs and to provide the user with the resources necessary to sustain the system in the field. ILS is an integral component of the systems engineering process. Examples of systems engineering elements that relate to ILS include, but are not limited to, requirements analysis/allocation, alternative analysis/evaluation, risk analysis, supportability analyses, specification development, technical data management and documentation, test and evaluation, verification and validation, configuration management, production and deployment, operation and maintenance, and system disposal. DM and SCM are critical elements of the ILS process.

2-2. Integrated logistics support principles

All ILS activities must be obtained and maintained through application of PBL techniques. PBL is the DOD-preferred method for product support of weapon/materiel systems.

a. Through their participation in the PM or TLCSM supportability integrated product team (SIPT), distribution and supply chain managers will ensure that the systems acquisition strategy, systems supportability strategy, and APB sufficiently define/describe the requirements, planning, programming, budgeting, and execution of the PBL strategy, including end-to-end distribution and SCM.

b. The purpose of any systems acquisition is to achieve and maintain a judicious balance of cost, schedule, performance, and supportability in response to the customer's expressed need. The goal is to acquire a system that is affordable and supportable and interoperable with other systems, and uses proven technology, open systems design, available manufacturing capabilities and services, and smart competition.

(1) The PM is the TLCSM for his or her designated materiel system. The PM is responsible for the acquisition and sustainment of that system over its intended life cycle.

(2) The PM/TLCSM will designate a single organization as the product support integrator (PSI). This PSI will be the single responsible agent for the PM to integrate all of the product support for a given materiel system. The PSI could be an organic entity, a contractor, or a partnership of an organic and commercial entity.

(3) The PBA is a written agreement between the PM and the customer, the PM and the PSI, or the PM, the customer, and the PSI. The PBA will outline the business relationship and performance requirements with regard to product support. The minimum acceptable contents for a PBA include, but are not limited to—

(a) Identification of realistic, quantifiable, and measurable metrics.

(b) Identification of the roles and responsibilities of all stakeholders for the collection, processing, analysis, and reporting of performance data.

(c) Identification of the roles and responsibilities of all stakeholders for the planning, programming, and distribution of funds.

(d) Identification of the data elements and formula for calculating critical metrics.

(e) A description of the data and identification of the data source.

(f) A statement regarding the frequency and format for reporting results.

(g) A formal performance review.

(4) The logistician is a critical element in the design of a system. As such, the role of the logistician in acquisition logistics is to influence the design so that the system is highly reliable, easy to operate, easily and quickly repaired, easily transported, and properly disposed.

(a) Army logisticians will participate in TRADOC-managed integrated concept teams, as appropriate, to influence system design.

(b) Army logisticians will participate in system working level integrated product teams, including the SIPT, to collect data/information, conduct analyses, and plan, program, budget, and execute elements of DM and SCM.

(5) While influencing the system's design, the logistician will design a product support (DM and SCM structure) system that will satisfy the customer's requirements.

(a) The logistician will conduct investigations and market surveys to identify the product support characteristics for each proposed technical alternative for use in trade-off analyses.

(b) The logistician will conduct supportability analyses to determine the optimum product support strategy.

(c) The logistician will apply best commercial DM and SCM practices in designing the supportability strategy.

(d) The logistician will identify and apply strategic, tactical, and operational metrics in the definition and measurement of supplier performance. These metrics will be utilized in the PBAs with the customer and the PSI.

(e) The logistician will ensure that a collaborative environment exists for the communication, data collection, and measurement of DM and SCM performance.

(6) Ultimately, there is a transition from acquisition logistics to sustainment logistics. The PSI is responsible for sustaining the Army's capabilities at the national level, while the Army logistician has the primary responsibility for sustaining the Army's capabilities at the field level. The PSI and the Army logistician share the responsibility for attaining an effective and efficient DM and SCM system over the life of the item.

(a) The logistician will monitor the performance of the DM and SCM system and make periodic assessments of the performance against the customer's negotiated requirements.

(b) The logistician will apply the principles of continuous process improvement.

(c) The logistician will conduct sustainment engineering when performance falls outside of acceptable ranges to determine the nature and extent of the poor performance and any corrective actions required.

(d) The logistician will use best systems engineering processes to develop, test, and field new or modified equipment to enhance reliability of components and/or distribution and SCM services.

(e) The logistician will use best systems engineering processes in seeking opportunities to insert technology.

(7) The purpose of ILS is to influence design while optimizing the balance of cost, schedule, performance, and supportability. Involving the logistician early in the capabilities concept and development is intended to result in a better product with a lower life cycle cost.

(8) The early investment of resources in acquisition logistics is directly linked to the ability of the distribution and SCM system to perform at an optimum level of efficiency and effectiveness.

(9) The goal of ILS is to enhance deployment, reduce the logistics footprint, and reduce logistics costs.

Section II

Distribution of Materiel

2-3. Purpose

The purpose of distribution is to reliably provide materiel to the warfighter or other designated end user with the time, place, and condition utility required to predictably insure readiness in peace and the continuous combat effectiveness of a deployed force during war and contingency operations. The desired result is not speed alone, rather, it is a demonstrated reliability in meeting the materiel requirement.

2-4. Distribution of materiel defined

Distribution is a transparent end-to-end joint process that uses standard business practices to provide materiel and information worldwide from the supply source to the point of consumption or use, including the last tactical mile and retrograde. Distribution includes the two-way flow of materiel and information, process and financial management, transportation and transportation mode selection, node operations, visibility to the required level of detail, automatic identification technology (AIT)/automated information system (AIS)-enabled information systems, materiel handling, and protective packaging. It also includes the capability to meet surge requirements and redirect materiel en route, as well as maintain full synchronization with the force deployment process. As a component of the supply chain, distribution begins when a product is made available for shipment and ends when it is received at the warfighter or other designated end user location.

2-5. Distribution of materiel and force deployment

As the distribution system can require the same assets simultaneously needed to deploy the force, distribution and deployment must be fully synchronized to ensure that available lift, port, reception, staging, and delivery capabilities are fully exploited to best meet warfighter requirements. Army distribution elements must be actively engaged with the joint distribution community, force providers, host nation providers, and commercial contractors and vendors.

2-6. Distribution of materiel and supply chain management

To be effective and efficient, and to make the best use of fiscal resources, distribution must be conducted within a supply chain framework. SCM is the management of all internal, external, and interdependent logistics and information processes and functions. In addition to distribution, the components of SCM include customer response, inventory planning and management, supply, warehouse management, maintenance, and retrograde. To fully enable the flow of materiel to the end user, distribution must influence acquisition, sourcing, and positioning. This regulation is the Army reference on SCM, while AR 56-4 is the Army reference on distribution.

2-7. Distribution-based logistics

Distribution-based logistics is a synchronized DOD, Joint, Service, and industry network of organizations, infrastructure, processes, capabilities, and automated systems that enable rapid and assured provisioning and retrograde of

materiel to forces worldwide across the full spectrum of military operations. Its fundamental principles are velocity over mass, optimization of the distribution system, maximum throughput, reduced CWT, minimum essential stocks, standard practices, predictable time definite delivery, and continuous two-way visibility and flow of information.

2–8. Distribution of materiel goals

The objective end state of distribution is a transparent and synchronized end-to-end joint distribution system that meets warfighter requirements for materiel and information. This end state will be accomplished by reliably providing materiel worldwide with the time, place, and condition utility required to predictably ensure readiness and the continuous combat effectiveness of a deployed force. The goals of distribution include:

- a. Gaining and maintaining logistician and warfighter confidence in the distribution system through demonstrated reliable and predictable worldwide time definite delivery of materiel, including the last tactical mile.
- b. Reducing the distribution footprint.
- c. Reducing costs while maintaining warfighter capability and readiness.
- d. Conducting efficient distribution operations at strategic levels and effective distribution operations at operational and tactical levels.
- e. Fully synchronizing the distribution process with the deployment process.
- f. Defining and achieving performance metrics.
- g. Conducting effective and efficient retrograde of materiel.
- h. Attaining visibility of all materiel in the distribution system to the needed level of detail using AIT/AIS-enabled information systems coupled with the capability to effectively redirect materiel en route.
- i. Ensuring that sufficient commercial and organic distribution platforms are available to meet warfighter surge and follow-on requirements.
- j. Conducting effective distribution platform circulation and retrograde operations.
- k. Ensuring that contracts for materiel acquired through Government purchase cards, direct vendor delivery, and weapon system contractor logistics support provide for shipment to combat and contingency operations by either organic or commercial transportation, as directed by the warfighter.
- l. Preventing delays and misdirected cargo through proper marking and labeling of shipments.
- m. Identifying, funding, and implementing high pay off distribution enablers.
- n. Accomplishing continuous process improvement by exploiting and incorporating current and emerging technology and best practices.

Section III

Supply Chain Management

2–9. Inventory models/forecasting

The Army uses dollar cost banding (DCB) as an inventory model and a means of forecasting requirements. DCB is an effective and efficient methodology to compute Army authorized stockage list (ASL) stock levels by taking into account demands accrued, essentially code, dollar value, and urgency of need to form a realistic, cost effective, and supportive ASL. DCB achieves its main objectives of increasing parts availability, reducing CWT, and holding down costs by increasing ASL breadth. DCB resides in the Integrated Logistics Analysis Program (ILAP). Additional information may be found on the ILAP (<https://www.ilap.army.mil>) or DM (www.cascom.army.mil/adm) Web sites.

2–10. Stock positioning

Stock positioning decisions will be based on the criticality of the requirement and anticipated demands, and be consistent with financial constraints. The categories of stock positioning are:

- a. *AMC stock positioning.* This is the placement of AMC stocks in AMC-owned or controlled distribution centers or forward distribution points (FDPs). Additionally, in coordination with the DLA, AMC will place AMC stock in DLA distribution centers.
- b. *DLA stock positioning under Consumable Supply Chain Management—Army.* This is a coordinated responsibility between the DLA and FDP receiving the stock. Additional guidance may be obtained from the DCS, G–4 Supply Policy Division (DALO–SMP).
- c. *All others.* This includes sources of supply such as the General Services Administration. Stock positioning of these assets is a local decision

2–11. Automation tools

Organizations will use Standard Army Management Information Systems (STAMIS) in accordance with current Automated Data System End User Manuals. The following additional non-STAMIS will be used:

- a. *ILAP.* The ILAP combines supply, maintenance, and financial data to produce comprehensive management reports tailored to user requirements without affecting data sources. The ILAP is the source for many Army metrics

such as CWT, requisition wait time (RWT), and fill rate. Additional information may be found at <https://www.ilap-army.mil>.

b. Radio frequency (RF) technology. RF technology use is mandated for in-transit visibility (ITV) of all supplies and equipment, including retrograde. The DCS, G-4 Logistics Automation Division (DALO-SMI) is responsible for Army RF technology.

c. WEBLOG. WEBLOG is an AMC logistics, Web-based suite of tools for supply, maintenance, and ITV. Additional information may be found at <https://www.logsa.army.mil>.

Section IV Maintenance

The Army maintenance program is governed by AR 750-1. The Army is migrating toward the two-level maintenance concept—field and sustainment levels of maintenance. AMC is responsible for sustainment maintenance, while the organizational element and AMC share the responsibility for the field level in terms of the National Maintenance Program (NMP).

2-12. National Maintenance Program

The NMP encompasses the Army strategy to move to a centrally coordinated and controlled repair-based logistics system. The overall objective of the NMP is to enhance Army sustainment readiness by accomplishing repairs by a qualified national provider to an overhaul standard with a new system life expectancy. The purpose of NMP is to enhance readiness by increasing weapon system reliability. Additionally, the NMP supports Army recapitalization (RECAP) by providing a supply of components repaired to the NMP overhaul standard, thus improving the mean time between failures (MTBF) over those repaired to the inspect and repair only-as necessary (IRON) standard. The NMP provides additional value by extending beyond RECAP and improving the reliability of numerous other weapon systems that have secondary items included in the NMP.

2-13. National Maintenance Program defined

The two NMP-established categories of maintenance management are:

a. National. The National category of maintenance management consists of organic depots, the industrial base, and qualified below-depot sources of repair (SORs). These activities collectively are referred to as “the sustainment base”. Items repaired by the sustainment base are returned to the Army Working Capital Fund (AWCF) supply. The National category is AWCF funded and its overall focus is sustainment readiness.

b. Field. The Field category consists of organizational, direct support (DS), and general support (GS) maintenance (the part of the GS mission performed as a back up to DS) units. Repaired items are returned to the user or placed in an operation and maintenance—Army (OMA) direct exchange (DX)/repair exchange (RX) supply. The Field category is OMA funded and its overall focus is near term readiness.

2-14. National repair objectives tenets

National repair objectives were developed by blending the traditional wholesale and retail requirements into a single program repair objective. The objective is to repair to a national need versus a regional need.

a. Single Standard of Repair. This tenet calls for all items to be repaired and returned to AWCF supply to be repaired to the National Maintenance Repair Standard (NMRS), which is the NMP overhaul standard. The NMRS will be the Depot Maintenance Work Requirement, where the NMRS exists. If the NMRS does not exist, a National Maintenance Work Requirement will be developed. These support RECAP with quality components and enhance other system availability through components with increased MTBF.

b. Qualified national providers (QNP). Qualification of an SOR as a QNP consists of the SOR being International Standards Organization-quality compliant and technically certified by the proponent Integrated Materiel Management Center’s Maintenance Director as being capable of performing repairs to the NMRS.

c. Enable a repair-based logistics system. Enabling a repair-based logistics system entails exercising the supply system to meet reparable component requirements. Unserviceable items are turned in to AWCF supply, work ordered to maintenance, repaired, then returned to AWCF supply. NMP has fully integrated the business practices of the single stock fund with sustainment maintenance. This facilitates sustainment maintenance supporting field maintenance forward with components through supply.

d. National Maintenance Program. The National Maintenance Program is managed by AMC and encompasses the Army strategy to move to a centrally coordinated and controlled repair-based logistics system. The overall objective of the NMP is to enhance Army sustainment readiness by accomplishing repairs of secondary items by a QNP to an overhaul standard with an expected life. The purpose of NMP is to enhance readiness by increasing weapon system reliability. Additionally, the NMP supports RECAP by providing a supply of components repaired to the NMP overhaul standard, thus improving the MTBF over those repaired to the IRON standard. In so doing, the NMP enables the component aspect of RECAP for selected legacy weapon systems. The NMP provides additional value by

extending beyond RECAP and improving the reliability of numerous other weapon systems that have secondary items included in the national repair program. The two NMP-established categories of maintenance management are:

(1) *National*. The National category of maintenance management consists of organic depots, the industrial base, and qualified below-depot SORs. These activities are collectively referred to as “the sustainment base.” Items repaired by the sustainment base are returned to the AWCF supply. The National category is AWCF funded and its overall focus is sustainment readiness.

(2) *Field*. The Field category consists of organizational, DS, and GS maintenance units (that part of the GS mission is performed as a back up to DS). Repaired items are returned to the user or placed in an OMA DX/RX supply. The Field category is OMA funded and its overall focus is near term readiness.

Chapter 3

Analyzing Supply Chain Performance

Supply chain performance is assessed against the criteria of time, quality, cost, and variability. If it cannot be measured, it cannot be managed or improved.

Section I

Analyzing Performance

3-1. Metrics

Metrics portray the status of an organization in terms of processes, results, and initiatives needed to improve the processes. Supply chain metrics (or measurements) will be used to track supply chain performance. Supply chain metrics will cover many areas, including procurement, production, warehousing/distribution center, distribution of materiel, and customer response. Tracking metrics will allow for benchmarking, viewing performance over time, identifying problem areas and optimizing the supply chain. This regulation addresses two types of metrics: supply chain and logistics performance.

a. Supply chain metrics. Supply chain metrics are tools used to measure and analyze the entire supply chain by integrating its independent processes. The process must begin with planning the acquisition of customer driven requirements for materiel, including the returns segment of the process, and the flow of required information in both directions among suppliers, logistics managers, and customers. Supply chain metrics must have the capability to “peel back” the data to facilitate review by commanders at all levels and compile reports at the DA level. Supply chain metrics must employ the balanced scorecard technique to measure the criteria of time, quality, cost, and variability across the entire supply chain. The aim is to purge the logistics process of unnecessary elements—those that do not add value—and to find and act upon opportunities for improvement.

b. Logistics performance metrics. Logistics performance metrics are tools used to measure a particular process within the supply chain. Logistics includes seven interdependent processes: customer response, inventory planning and management, supply (manufacturing/procurement), maintenance, warehousing/distribution center, distribution of materiel, and reverse logistics. Logistics performance metrics are diagnostic in nature. They also must have the capability to “peel back” the data to facilitate review by commanders at all levels and compile reports at the DA level.

c. Source. The DCS, G-4 will identify the source of established metrics.

d. Metrics Goals. The DCS, G-4, in coordination with the DMT, will recommend Army goals to the DM board of directors (BOD). Supply chain metrics may be found at www.cascom.army.mil/adm. Logistics performance standards may be found in AR 710-2, AR 750-1, and AR 700-138.

3-2. Performance reviews

The following are reviews used to manage logistics systems performance. This list is not all encompassing.

a. DCS, G-4 monthly. The SCIMO will review supply chain metrics to identify performance trends and take appropriate action.

b. DM (DM) BOD. The DM BOD will receive annual process improvement team (PIT) updates on the progress of their initiatives to improve logistics system performance.

c. PITs. PITs will review and analyze their assigned metrics monthly and take corrective action as required.

d. Site improvement teams (SITs). SITs will review and analyze metrics affecting their performance on a recurring basis and take corrective action as required.

e. Video telephone conference (VTC). The DMT will host a periodic VTC and present a metrics performance review to selected MACOMs and installations.

f. DM Web site postings. Army supply chain performance metrics reports will be posted to the DM Web site (www.cascom.army.mil/adm) monthly. Commanders will use these posted reports and supporting data posted metrics as internal bench-marking tools for logistics review and analysis at the installation and command.

g. *Command materiel management readiness reviews.* These reviews will include supply chain metrics outlined in this regulation and further explained in AR 710–2, chapter 2 and appendix B.

Section II

Metrics Types

3–3. Customer response

The Army customer views the logistics system in terms of its responsiveness to his or her requirements. The mechanic, the supply technician, and their chain of command view the logistics system response to their requirements in terms of time, quality, cost, and variability. The customer defines the standard, and Army performance metrics, as established in this regulation (CWT, RWT, fill rate, and AR 710–2, tables 1–2 and 1–3), depict logistics system measures of efficiency and effectiveness in customer terms. The Army will use supply chain metrics, as established by this regulation, to measure customer response, then rate that response against the established standard. The DCS, G-4 staff for logistics goals will announce customer response time goals by message.

3–4. Inventory planning and management

Planning, storing, moving, and accounting for inventory are the basics of inventory planning and management. Inventory planning, including inventory allocation and distribution of materiel, must be designed to optimize the positioning and movement of inventory to best meet customer needs. Inventory management must be improved by using techniques such as activity-based costing analysis and forecasting or inventory models such DCB. DCB is mandatory for ASL review. ASL fill rate must be improved through the use of DCB. Logistics leaders must tackle the challenges associated with determining how much inventory to hold, where to hold it, and how to allocate and distribute it effectively and efficiently. The DCS, G-4 staff for logistics goals will announce fill rate goals by message.

3–5. Supply (manufacturing/procurement)

The supply (manufacture/procurement) logistics process typically is considered the beginning of the supply chain, although the supply chain process should be considered a continuous one. Materiel requirements determination must be performed during the supply chain process to determine the type and quantity of equipment and supplies needed to equip, provide a materiel pipeline for, and sustain Army organizations for a specified period of time. Once requirements have been identified, usually using techniques associated with forecasting and contingency planning, items will be acquired through procurement.

3–6. Maintenance

Maintenance processes will support the concept of retaining materiel in a serviceable condition or restoring it to serviceability, then returning it to the user or supply system. Maintenance includes inspection, testing, servicing, classification as to serviceability, repair, rebuilding, and reclamation. Maintenance includes all supply and repair actions taken to keep a force in condition to carry out its mission. The phases of maintenance include servicing, repair, modification, modernization, overhaul, rebuild, test, reclamation, inspection, condition determination, and the initial provisioning of support items. The Equipment Downtime Analyzer is a tool commanders use to assess retail maintenance and supply processes.

3–7. Warehousing/distribution centers

Warehousing functions include receiving, storage and handling, order selection, packing, issuing, and preparing materiel for shipment. Warehousing/distribution centers will act as buffers to minimize the effects of variability in the supply chain. The demands of the supply chain system require that warehousing/distribution centers serve customers in a timely fashion during peaks in demand or to ensure a steady supply of materiel. Warehouse/distribution center performance must be consistent and dependable. Warehousing, as a part of the total supply chain, will support the objectives of reducing costs and improving customer service. Managers will perform a warehouse operations assessment. It is recommended that accountable officers be included when performing such assessments. The warehouse operations assessment is a process that evaluates several categories of performance, including, but not limited to, customer service, inventory accuracy, space utilization, facility layout, automation equipment utilization, general housekeeping, and safety. AR 710–2, table 1–2 establishes objectives for this process.

3–8. Distribution of materiel

Distribution of materiel is the process of providing materiel from the source of supply to the point of use or consumption worldwide. Distribution of materiel uses both physical distribution and transportation functions to plan and physically move materiel from the source of fill to a destination. It includes management and control over the operation of the physical distribution network using channels or lines of communication (LOC). These channels or LOC are composed of modes (the means of movement) and nodes (points of origin, stock, or modal transfer). In-transit tracking will provide the ability to track the identity, status, and location of materiel with accurate and timely in-transit information. The Army CWT and RWT metric reports provide the amount of time used for each source of fill and

segment of the supply chain. Army commanders with responsibility for distribution of materiel segment(s) will compare their units' performances to supply chain segment standards.

3-9. Reverse logistics

Considerable value exists in serviceable and unserviceable materiel that customers have returned to the logistics system. Whether customers are returning that materiel so it can be repaired or stored for immediate use, the time, quality, cost, and variability incurred in the return process represents value to the Army. That value diminishes over time from the last gainful use of the materiel until it becomes useful again. Army supply chain metrics will be developed and implemented to assign a standard for this process and to measure actual performance. AR 710-2, table 1-2 establishes objectives for this process.

Chapter 4

Improving the Supply Chain Through the Distribution Management Program

4-1. Methodology

Managing complex supply chain environments requires timely access to information that helps facilitate rapid and effective decision-making. Developing a data collection plan includes establishing a baseline, capturing critical input and output data elements, identifying and determining the availability and adequacy of specific data sources, and developing work-arounds for data that are not available to measure defined metrics. Performance data should be collected against the metrics of time, quality, cost, and variability. Data collection reveals hidden patterns and relationships in large amounts of data. Analyzing this information serves to support decision-making and guide future efforts. To analyze this information, the DM program uses the three-step define, measure, and improve (DMI) methodology.

a. Define. This includes determining customers, inputs, activity outputs, and processes. This is best accomplished using the walk-through process or process walk (also referred to as a "rock drill") to establish a common understanding of the user's environment. A walk through is a physical process "tour" through the logistics offices and facilities. It includes informal dialog with the soldier and civilian workforce, who explain how they perform logistics processes. Information collected during the process walk through will be used to develop the process map.

b. Measure performance. This is accomplished through defining data requirements, establishing metrics, determining baseline performance, and obtaining performance data to use in the measurement process.

c. Improve the existing process. This is accomplished by setting local objectives, designing "new" process flows, developing plans to achieve improvements, and implementing the changes needed to accomplish those goals.

4-2. Command and control

The DM program receives strategic direction during the annual DM BOD meeting. Interim strategic direction is provided through the DCS, G-4 (DALO-SMP) or the CG, CASCOT. The CG, CASCOT is responsible for normal, daily operational direction.

4-3. Funding

The DM program is funded by the DCS, G-4, with a separate program element. The DMT Chief is responsible to the DCS, G-4 for annual budget submissions, validations, and justifications, including annual reviews, program objective memorandum reviews, and Management Decision Evaluation Package submissions. Due to the external source of funds, the DMT Chief also is responsible to the CG, CASCOT for reporting "Other People's Money."

4-4. Organization

The DMT is organized along the lines of PITs. Each PIT is led by a change agent (CA).

4-5. Change agents

A CA is an individual designated and empowered by a DM BOD member to interact on his or her behalf with other CAs, PITs, and SITs. A CA is the staff liaison for a DM BOD member and provides advice and input to the DMT. The CA should have ready and visible access to the DM BOD member appointing him or her. The DM BOD may appoint one or more CAs. Army CAs provide the initiative to implement process improvements proposed by the DM BOD. The appointed CA also leads his or her respective PIT.

4-6. Process improvement teams

The DM BOD will ensure PITs are organized to focus on broad logistics processes. PITs will examine logistics processes to determine where improvements can be made to achieve the goals of the DM program, develop improvement proposals, and recommend strategies for technical implementation of recommended changes. PITs will bridge the functional organizational structure of the Army to deal directly with systemic logistics process problems. Each PIT will

identify agencies in the Army and DOD that are responsible for functions that impact or that will be impacted by the mission. PITs span the traditional functional “stovepipes” that can inhibit communications and problem solving.

4-7. Site improvement teams

A key component to the DM program is the establishment and sustainment of SITs for installations and commands. SITs are organized by commanders to focus on their installations’ or commands’ logistics processes. SIT membership will be composed of local leaders and technical experts that work with the supply chain on a regular basis. At a minimum, the SIT should be formed with a sufficiently broad range of members to address the complexity of the organization’s logistics processes. It should include an individual from every element involved in the organization’s logistic processes. The SIT employs the DMI methodology for supply chain optimization at the organization’s level. The SIT program should include the review of DM-established metrics and metrics listed in AR 710-2, AR 725-50, and AR 750-1, as well as the translation of these metrics into logistics objectives for the organizations.

4-8. Core and virtual team members

DMT members are senior logisticians trained in process improvement techniques. There are two types of team membership:

a. Core team members. Core members will include active military, DA civilians, and contract support logistics personnel assigned to the DM program.

b. Virtual team members. Virtual members will include personnel that possess specialized skills needed to complement and augment the core members. Examples of virtual team members are personnel assigned to AMC, DLA, or other agencies who augment the DMT with their expertise for a given situation. Virtual team membership may also extend to supporting contractor personnel such as Federal Express (FedEx) or RAND Corporation employees.

4-9. Process walks

Process walks are accomplished by physically walking through a facility or organization to establish a common understanding of how a process is translated into practice, how local standing operating procedures are implemented and what effect they have on the process, and how customers and providers view their own performances. During this process, inefficiencies and non-value-added steps can be revealed and resolved. Likewise, efficiencies can be captured and passed throughout the Army using DM distribution lists and the DM Web site (www.cascom.army.mil/adm).

a. Process walks can be general or very specific depending on the requirements of the requesting organization. In all cases, the requesting organization will coordinate its requirements with the DMT Chief prior to scheduling a process walk.

b. The DMT also may initiate process walks to capture commercial industry practices. In this instance, virtual team members may be invited to participate. Examples of DM-initiated process walks include process walks through the FedEx headquarters facility, Dover Aerial Port, and the Defense Distribution Center.

4-10. Site visits

CAs normally initiate and lead instructional walks through their sites. Such walks may be enhanced by DMT participation. The DMT routinely calls for support from the DOD, the DLA, USTRANSCOM, AMC, IMA, and others to augment the Core Team and create a synergistic capability for these visits. These visits include in-briefs intended to advise local commanders of the status of their DM metrics as seen from the national level, the methodology the team will use, and the areas of interest for each visit. CAs are encouraged to walk through any of their sites with the DMT. CAs may contact the DMT via telephone (DSN 687-0022) or visit the DM Web site (www.cascom.army.mil/adm) to make visit requests. At the end of a site visit, the organization will receive an out-brief package identifying recommendations. With the exception of DA-directed site visits where the out-brief also will be provided to the directing authority, the DMT will not release the out-brief beyond the installation.

4-11. Special assistance

Organizations requiring special assistance may contact the DMT via telephone (DSN 687-0022) or the DM Web site (www.cascom.army.mil/adm).

4-12. Metrics

Supply chain performance is assessed against the criteria of time, quality, cost, and variability. If it cannot be measured, it cannot be managed or improved. Metrics are important because they portray the status of an organization in terms of processes, results, and initiatives needed to improve the processes. Performance metrics must be displayed graphically using a program such as Microsoft PowerPoint. Charts are more effective and efficient than tables at portraying performance information. Tables are time consuming and require careful study and interpretation. Studies have found that as soon as someone starts measuring something, it improves. Measures of performance must be meaningful to those organizations being measured. As a result, soldiers will take a greater interest in ensuring a process is successful if they have been included in the process. The DM program is responsible for CWT, RWT, and fill rate metrics.

- a.* The DCS, G-4 will identify the source of established metrics.
- b.* The DCS, G-4, in coordination with the DMT, will recommend Army goals to the DM BOD. DM metrics may be found at www.cascom.army.mil/adm.

4-13. Distribution management performance reviews

The following is a list of performance reviews used to manage DM. This list is not all encompassing.

- a. DCS, G-4.* The SCIMO will review supply chain metrics monthly to identify performance trends and take action.
- b. DM BOD.* The DM BOD will receive annual PIT updates on the progress of their initiatives to improve logistics processes.
- c. PITs.* PITs will review and analyze their assigned metrics monthly and take corrective action as required.
- d. VTC.* The DMT will host a periodic VTC and present a metrics performance review to selected MACOMs, IMA regions, and installations.
- e. DM Web site postings.* Army supply chain performance metrics data will be posted to the DM Web site (www.cascom.army.mil/adm) monthly. Commanders will use these posted metrics as internal bench-marking tools for logistics review and analysis at the installation and command.

Appendix A References

Section I Required Publications

This section contains no entries.

Section II Related Publications

A related publication is a source of additional information. The user does not have to read a related publication to understand this regulation.

AR 56-4

Management of Army Intermodal Container Systems

AR 700-138

Army Logistics Readiness and Sustainability

AR 710-1

Centralized Inventory Management of the Army Supply System

AR 710-2

Supply Policy Below the National Level

AR 725-50

Requisitioning, Receipt, and Issue System

AR 735-5

Policies and Procedures for Property Accountability

AR 740-1

Storage and Supply Activity Operations

AR 750-1

Army Materiel Maintenance Policy

DOD 4145.19-R-1

Storage and Materials Handling. (Available at www.dtic.mil/whs/directives/.)

DOD 4500.9-R

Defense Transportation Regulation. (Available at www.dtic.mil/whs/directives/.)

DODD 4500.9

Transportation and Traffic Management. (Available at www.dtic.mil/whs/directives/.)

FM 4-01.30

Movement Control. (Available at www.monroe.army.mil/index.html.)

Section III Prescribed Forms

This section contains no entries.

Section IV Referenced Forms

This section contains no entries.

Glossary

Section I Abbreviations

AIS

automated information system

AIT

automatic identification technology

AMC

U.S. Army Materiel Command

APB

acquisition program baseline

AR

Army regulation

ASA(ALT)

Assistant Secretary of the Army for Acquisition, Logistics and Technology

ASL

authorized stockage list

AWCF

Army Working Capital Fund

BOD

board of directors

CA

change agent

CASCOM

U.S. Army Combined Arms Support Command

CG

Commanding General

CWT

customer wait time

DA

Department of the Army

DCB

dollar cost banding

DCS, G-4

Deputy Chief of Staff, G-4

DLA

Defense Logistics Agency

DM

distribution management

DMG

Distribution Management Group

DMI

define, measure, and improve

DMT

Distribution Management Team

DOD

Department of Defense

DS

direct support

DX

direct exchange

FedEx

Federal Express

FDP

forward distribution point

GS

general support

HQDA

Headquarters, Department of the Army

ILAP

Integrated Logistics Analysis Program

ILS

integrated logistics support

IMA

Installation Management Agency

IRON

inspect and repair only-as necessary

ITV

in-transit visibility

LOC

lines of communication

MACOM

major Army command

MMC

materiel management center

MTBF

mean time between failures

NMP

National Maintenance Program

NMRS

National Maintenance Repair Standard

OMA

operation and maintenance--Army

PBA

performance-based agreement

PBL

performance-based logistics

PEO

program executive officer

PIT

process improvement team

PM

program manager

PSI

product support integrator

QNP

qualified national provider

RECAP

Army recapitalization

RF

radio frequency

RWT

requisition wait time

RX

repair exchange

SARSS

Standard Army Retail Supply System

SCIMO

Supply Chain Integration Management Office

SCM

supply chain management

SIPT

supportability integrated product team

SIT

site improvement team

SOR

source of repair

STAMIS

Standard Army Management Information Systems

TLCSM

total life cycle system manager

TRADOC

U.S. Army Training and Doctrine Command

USTRANSCOM

U.S. Army Transportation Command

VTC

video telephone conference

Section II**Terms****Authorized stockage list (ASL)**

An inventory maintained by the forward distribution point (FDP). The intent of the list is to anticipate the demand for critical materiel needed to maintain soldier and equipment readiness.

Balanced scorecard

A methodology that provides a single metric for time, quality, cost, and variability. It integrates the interdependent supply chain logistics processes of customer response, inventory management, warehouse management, transportation, supply, and maintenance.

Change agent (CA)

A person who lobbies for new ways to conduct business or perform processes. The commander empowers the CA to implement changes for the command/agency, that is, the customer wait time (CWT) CA.

Customer wait time (CWT)

The Army's principle supply chain performance metric for measuring supply chain responsiveness that measures the time required to satisfy a supply request from the end user level, or total customer response time.

Distribution center

The intermediate warehouse where products from different sources are assembled for shipment and distribution to specific customer locations. The central receiving point is an example of an Army distribution center.

Distribution management (DM)

The broad range of activities concerned with effective and efficient movement of materiel from the source of supply to the point of use or consumption. DM activities include freight transportation, warehousing, materiel handling, packaging, inventory management, and attendant management information systems. Also includes reverse logistics activities.

Distribution Management Core Team

Personnel assigned to the Army's Distribution Management Team, who are responsible for its daily functions.

Distribution Management Virtual Team

Subject-matter experts from major Army commands and agencies who augment the Distribution Management Core Team during assistance visits.

Dollar cost banding

A Deputy Chief of Staff, G-4-approved mandatory ASL review methodology that uses a modified economic order quantity algorithm with variable bands of demand criteria based on the unit price of the stocked line.

Economic order quantity

The amount of product to be purchased or manufactured at one time to minimize the total cost involved, including ordering and carrying costs. Economic order quantity is an authorized alternative in lieu of days of supply. The Army encourages the use of economic order quantity for low dollar items.

Fill rate

The proportion of all stock requisitions that are filled from stock on the shelf. Fill rate is a metric the Army now is adopting to measure the performance of its inventory planning and review process. Fill rate is the product of demand accommodation times and demand satisfaction.

Inventory, physical

Either the total of all inventories in all locations stored in warehouses, or the annual counting of all products to satisfy auditors. FDPs are permitted to use the cyclic or annual 100-percent methods for physical inventory.

Logistics

The flow of material, information, and money between consumers and suppliers.

Logistics information system

A suite of systems used to manage the flow of material, information, and money connecting end users and suppliers.

Logistics performance metrics

Metrics that focus on a particular logistics process. For example, fill rate measures the success of inventory planning.

Pipeline

The various activities involved with a distribution system. The Army's pipeline is measured by CWT and requisition wait time (RWT) days.

Radio frequency (RF)

Online communications between the warehouse management system or an interrogator at a distribution site, and a portable or onboard radio frequency computer terminal for the purpose of directing real-time task via sequential instructions to the operator.

Requisition wait time (RWT)

The Army's supply chain performance metric that measures time required to satisfy an FDP requisition that must be sourced from either a wholesale or redistribution process. RWT is subordinate to CWT.

Reverse logistics

The process by which a product is returned to some point in the distribution system for credit, reworking, recouping, restocking, or disposal.

Scorecard

A set of supply chain or logistics performance measures that focus on a particular process or processes.

Supply chain

The material and informational interchanges in the logistics process stretching from the acquisition of raw materials to the delivery of finished products to the end user. Vendors, service providers, and customers are links in the supply chain.

Supply chain management (SCM)

The management of all internal and external logistics processes, information, and functions necessary to satisfy a customer's requirement. The management of the interdependent logistics processes of customer response, inventory planning and management, warehouse management, transportation, supply, maintenance, and reverse logistics.

Supply chain metrics

Metrics that integrate and measure the interdependent logistics process of customer response, inventory planning, warehouse management, transportation, and supply and maintenance. For example, CWT measures the speed of the supply chain by integrating each interdependent process as it contributes to satisfying a requisition.

Warehouse

A building used to store merchandise and commodities. The Army refers to a warehouse as an FDP.

Warehouse management system

A management information system that controls warehouse activity by furnishing instructions to warehouse resources to manage operations. Such systems typically interface with Business Host, Process Control System, and RF devices that collect and disseminate information. The Standard Army Retail Supply System is the Army's warehouse management system.

Section III**Special Abbreviations and Terms**

This section contains no entries.

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